



8011-01p
SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100F Street, NE
Washington, DC 20549-2736

[Extension: Rule 17g-1]

[OMB Control No. 3235-0213, SEC File No. 270-208]

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission (the “Commission”) has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 17g-1 (17 CFR 270.17g-1) under the Investment Company Act of 1940 (the “Act”) (15 U.S.C. 80a-17(g)) governs the fidelity bonding of officers and employees of registered management investment companies (“funds”) and their advisers. Rule 17g-1 requires, in part, the following:

Independent Directors’ Approval

The form and amount of the fidelity bond must be approved by a majority of the fund’s independent directors at least once annually, and the amount of any premium paid by the fund for any “joint insured bond,” covering multiple funds or certain affiliates, must be approved by a majority of the fund’s independent directors.

Terms and Provisions of the Bond

The amount of the bond may not be less than the minimum amounts of coverage set forth in a schedule based on the fund's gross assets. The bond must provide that it shall not be cancelled, terminated, or modified except upon 60-days written notice to the affected party and to the Commission. In the case of a joint insured bond, 60-days written notice must also be given to each fund covered by the bond. A joint insured bond must provide that the fidelity insurance company will provide all funds covered by the bond with a copy of the agreement, a copy of any claim on the bond, and notification of the terms of the settlement of any claim prior to execution of that settlement. Finally, a fund that is insured by a joint bond must enter into an agreement with all other parties insured by the joint bond regarding recovery under the bond.

Filings with the Commission

Upon the execution of a fidelity bond or any amendment thereto, a fund must file with the Commission within 10 days: (i) a copy of the executed bond or any amendment to the bond, (ii) the independent directors' resolution approving the bond, and (iii) a statement as to the period for which premiums have been paid on the bond. In the case of a joint insured bond, a fund must also file: (i) a statement showing the amount the fund would have been required to maintain under the rule if it were insured under a single insured bond; and (ii) the agreement between the fund and all other insured parties regarding recovery under the bond. A fund must also notify the Commission in writing within five days of any claim or settlement on a claim under the fidelity bond.

Notices to Directors

A fund must notify by registered mail each member of its board of directors of: (i) any cancellation, termination, or modification of the fidelity bond at least 45 days prior to the effective date; and (ii) the filing or settlement of any claim under the fidelity bond when notification is filed with the Commission.

Rule 17g-1's independent directors' annual review requirements, fidelity bond content requirements, joint bond agreement requirement, and the required notices to directors are designed to ensure the safety of fund assets against losses due to the conduct of persons who may obtain access to those assets. These requirements also seek to facilitate oversight of a fund's fidelity bond. The rule's required filings with the Commission are designed to assist the Commission in monitoring funds' compliance with the fidelity bond requirements.

Based on conversations with representatives in the fund industry, the Commission staff estimates that for each of the estimated 3,319 active funds (respondents),¹ the average annual paperwork burden associated with rule 17g-1's requirements is two hours, one hour each for a compliance attorney and the board of directors as a whole. The time spent by a compliance attorney includes time spent filing reports with the Commission for fidelity losses (if any) as well as paperwork associated with any notices to directors, and managing any updates to the bond and the joint agreement (if one exists). The time spent by the board of directors as a whole includes any time spent initially establishing the bond, as well as time spent on annual updates and approvals. The Commission staff therefore estimates the total ongoing paperwork burden hours per year for all funds required by rule 17g-1 to be 6,638 hours (3,319 funds x 2 hours = 6,638 hours).

These estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of Commission rules. The collection of information required by Rule 17g-1 is mandatory and will not be kept confidential. An agency may not conduct or

¹ Based on statistics compiled by Commission staff, we estimate that there are approximately 3,319 funds that must comply with the collections of information under rule 17g-1 and have made a filing within the last 12 months.

sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

The public may view the background documentation for this information collection at the following website: www.reginfo.gov. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an e-mail to: Shagufta_Ahmed@omb.eop.gov; and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street, NE, Washington, DC 20549. Or, commenters may send an email to: PRA_Mailbox@sec.gov. Comments must be submitted to OMB within 30 days of this notice. Dated: May 28, 2015.

Robert W. Errett,
Deputy Secretary.